

**RUM: ANNUAL REPORT
(COVERING 1985 AND 1986)
ON SELECTED ECONOMIC
INDICATORS**

**Report to the Senate Committee
on Finance, on Investigation
No. 332-175 Under Section
332 of the Tariff Act of
1930**



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UNITED STATES INTERNATIONAL TRADE COMMISSION

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PREFACE

On January 13, 1984, at the request of the Chairman of the Committee on Finance, U.S. Senate, and in accordance with the provisions of section 332(b) of the Tariff Act of 1930 (19 U.S.C. 1332(b)), the United States International Trade Commission instituted investigation No. 332-175, Rum: Annual Report on Selected Economic Indicators. The purpose of the report is to gather and compile data on the rum industry from public sources and report such data to the Committee on an annual basis.

The report, as requested by the Finance Committee, contains the following statistical information on rum: (1) U.S. production; (2) U.S. exports; (3) U.S. imports for consumption (total and by countries designated as eligible for the Caribbean Basin Initiative (CBI)); (4) apparent U.S. consumption; and (5) shipments from Puerto Rico and the U.S. Virgin Islands to the United States.

The third annual report covers 1985 and 1986. Subsequent reports will be issued on a calendar basis as long as rum is accorded duty-free treatment pursuant to the Caribbean Basin Economic Recovery Act; the next report covering calendar year 1987 will be issued in May 1988.

C O N T E N T S

	<u>Page</u>
Preface-----	i
Highlights-----	1

Tables

1. Rum: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1984-86-----	2
2. Rum: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986-----	3
3. Rum in containers each holding not over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986-----	4
4. Rum in containers each holding over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986-----	5
5. Rum in containers each holding over 1 gallon, valued at not over \$2 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986-----	6
6. Rum in containers each holding over 1 gallon, valued over \$2.00 but not over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986-----	7
7. Rum in containers each holding over 1 gallon, valued over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986-----	8
8. Rum: U.S. exports of domestic merchandise, by principal markets, 1985 and 1986-----	9
9. Rum: Shipments from Puerto Rico and the U.S. Virgin Islands to the United States, 1985 and 1986-----	10

HIGHLIGHTS

The following are highlights of the economic data collected on rum for 1985 and 1986.

- o For 1986, U.S. production of rum declined to 24.0 million proof gallons, 11 percent lower than the amount produced in 1985.
- o U.S. exports of rum rose by 4 percent during the 2 years and the value of such exports increased from \$1.6 million to \$2.0 million.
- o For 1986, imports of rum amounted to 1.4 million proof gallons, valued at \$10.0 million, compared with 1.5 million proof gallons, valued at \$10.9 million, in 1985.
- o Rum imports from CBI eligible countries accounted for 91 percent of the value of total rum imports during 1986, and rum imports from Jamaica made up 77 percent of the total value of U.S. rum imports from CBI countries. During 1985, the share of total import value supplied by CBI countries was the same as in 1986, and Jamaica accounted for 76 percent of the imports from CBI countries.
- o Apparent U.S. consumption of rum in 1986 amounted to 26.3 million proof gallons, 3 percent lower than in 1985. The import-to-consumption ratio was 5.4 percent in 1986, nearly identical to the 1985 ratio.
- o Rum shipments from Puerto Rico to the United States declined from 23.2 million proof gallons in 1985 to 18.7 million proof gallons in 1986. During the same 2 years, rum shipments from the U.S. Virgin Islands to the United States declined from 2.9 million proof gallons to 2.7 million proof gallons.

Table 1.--Rum: U.S. production, exports of domestic merchandise, imports for consumption, and apparent consumption, 1984-86

(Quantity in thousands of proof gallons; value in thousands of dollars; unit value per proof gallon)

Year	Production 1/	Exports	Imports	Apparent consumption 2/	Ratio (percent) of imports to consumption
1984.....	27,189	363	3/ 5,838	29,925	19.5
1985.....	27,066	369	1,491	27,002	5.5
1986.....	23,993	385	1,425	26,263	5.4
			Value		
1984.....	159,869	1,998	34,881	4/	-
1985.....	165,100	1,644	10,867	4/	-
1986.....	144,680	1,997	9,983	4/	-
			Unit value		
1984.....	\$5.88	5.51	5.97	-	-
1985.....	6.10	4.45	7.29	-	-
1986.....	6.03	5.19	7.01	-	-

1/ Represents rum bottled in the United States, as reported by the Bureau of Alcohol, Tobacco, and Firearms of the U.S. Department of the Treasury, and shipments of bottled rum into the United States from Puerto Rico and the Virgin Islands, reported by the Bureau of the Census of the U.S. Department of Commerce. Value is estimated from the average value of bottled rum shipped to the United States from Puerto Rico and the Virgin Islands.

2/ Adjusted for stock changes as reported by the U.S. Department of the Treasury.

3/ The majority of the increase in imports in 1984 was the result of a major distiller transferring bulk rum from Custom's bond to Treasury bond in May 1984.

4/ Not available.

Source: Production data compiled from official statistics of the U.S. Department of the Treasury and the U.S. Department of Commerce, with conversions by the staff of the U.S. International Trade Commission; imports and exports compiled from official statistics of the U.S. Department of Commerce.

Table 2.--Rum: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986

Source	1985	1986
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	1,089	1,007
Barbados.....	212	215
Dominican Republic.....	60	48
Bahamas.....	4	16
Haiti.....	16	14
All other.....	35	239
Total of CBI countries.....	1,416	1,323
All other.....	75	102
Total.....	1,491	1,425
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	7,546	6,935
Barbados.....	1,119	1,125
Dominican Republic.....	282	551
Bahamas.....	46	163
Haiti.....	206	171
All other.....	710	144
Total of CBI countries.....	9,909	9,039
All other.....	958	894
Total.....	10,867	9,983
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$6.93	\$6.87
Barbados.....	5.28	5.23
Dominican Republic.....	4.70	11.48
Bahamas.....	11.50	10.19
Haiti.....	12.58	12.21
All other.....	20.29	6.26
Average of CBI countries.....	7.00	6.87
All other.....	12.04	8.76
Average.....	7.29	7.01

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 3.--Rum in containers each holding not over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986

Source	1985	1986
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	51	63
Dominican Republic.....	16	34
Haiti.....	16	14
Bahamas.....	4	16
Barbados.....	8	6
All other.....	30	18
Total of CBI countries.....	125	141
All other.....	57	53
Total.....	182	197
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	566	493
Dominican Republic.....	196	476
Haiti.....	283	171
Bahamas.....	46	163
Barbados.....	181	71
All other.....	517	99
Total of CBI countries.....	1,789	1,473
All other.....	769	736
Total.....	2,558	2,209
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$7.86	\$7.83
Dominican Republic.....	9.90	14.00
Haiti.....	15.59	12.21
Bahamas.....	11.50	10.19
Barbados.....	10.91	11.83
All other.....	17.23	5.50
Average of CBI countries.....	12.21	10.45
All other.....	10.69	13.87
Average.....	11.68	11.21

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 4.--Rum in containers each holding over 1 gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986

Source	1985	1986
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	1,038	944
Barbados.....	204	209
Dominican Republic.....	44	24
All other.....	5	3
Total of CBI countries.....	1,291	1,180
All other.....	19	48
Total.....	1,309	1,228
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	7,228	6,441
Barbados.....	1,004	1,054
Dominican Republic.....	104	85
All other.....	21	34
Total of CBI countries.....	8,357	7,614
All other.....	109	158
Total.....	8,466	7,774
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$6.96	\$6.82
Barbados.....	4.93	5.04
Dominican Republic.....	2.36	3.54
All other.....	4.20	11.33
Average of CBI countries.....	6.47	6.45
All other.....	5.74	3.22
Average.....	6.47	6.33

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 5.--Rum in containers each holding over 1 gallon, valued at not over \$2 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986

Source	1985	1986
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	0	20
Dominican Republic.....	16	0
All other.....	0	0
Total of CBI countries.....	16	20
All other.....	0	9
Total.....	16	29
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	-	40
Dominican Republic.....	28	-
All other.....	-	-
Total of CBI countries.....	28	40
All other.....	-	12
Total.....	28	52
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	-	\$2.00
Dominican Republic.....	\$1.76	-
All other.....	-	-
Average of CBI countries.....	1.76	2.00
All other.....	-	1.33
Average.....	1.76	1.79

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 6.--Rum in containers each holding over 1 gallon, valued over \$2.00 but not over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986

Source	1985	1986
	Quantity (1,000 proof gallons)	
CBI countries:		
Jamaica.....	23	41
Dominican Republic.....	26	22
All other.....	0	1
Total of CBI countries.....	49	64
All other.....	6	27
Total.....	55	91
	Value (1,000 dollars)	
CBI countries:		
Jamaica.....	54	144
Dominican Republic.....	63	51
All other.....	-	6
Total of CBI countries.....	117	201
All other.....	17	67
Total.....	134	268
	Unit value (per proof gallon)	
CBI countries:		
Jamaica.....	\$2.35	\$3.51
Dominican Republic.....	2.37	2.32
All other.....	-	6.00
Average of CBI countries.....	2.37	3.14
All other.....	2.83	2.48
Average.....	2.42	2.95

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 7.--Rum in containers each holding over 1 gallon, valued over \$3.50 per proof gallon: U.S. imports for consumption, by designated CBI countries and other sources, 1985 and 1986

Source	1985	1986
	<u>Quantity (1,000 proof gallons)</u>	
CBI countries:		
Jamaica.....	1,015	883
Barbados.....	204	209
All other.....	7	4
Total of CBI countries.....	1,225	1,096
All other.....	13	12
Total.....	1,238	1,108
	<u>Value (1,000 dollars)</u>	
CBI countries:		
Jamaica.....	7,174	6,258
Barbados.....	1,004	1,054
All other.....	34	63
Total of CBI countries.....	8,212	7,375
All other.....	92	79
Total.....	8,304	7,454
	<u>Unit value (per proof gallon)</u>	
CBI countries:		
Jamaica.....	\$7.07	\$7.09
Barbados.....	4.93	5.04
All other.....	4.82	15.75
Average of CBI countries.....	6.70	6.73
All other.....	7.12	6.08
Average.....	6.71	6.73

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 8.--Rum: U.S. exports of domestic merchandise, by principal markets, 1985 and 1986

Market	1985	1986
	<u>Quantity (1,000 proof gallons)</u>	
Netherlands Antilles.....	55	95
Netherlands.....	31	42
Leeward and Windward Islands.....	28	42
Japan.....	6	31
Federal Republic of Germany.....	30	35
Bahamas.....	23	30
All other.....	196	110
Total.....	369	385
	<u>Value (1,000 dollars)</u>	
Netherlands Antilles.....	247	392
Netherlands.....	214	282
Leeward and Windward Islands.....	160	214
Japan.....	28	174
Federal Republic of Germany.....	89	148
Bahamas.....	117	143
All other.....	789	644
Total.....	1,644	1,997
	<u>Unit value (per proof gallon)</u>	
Netherlands Antilles.....	\$4.48	\$4.13
Netherlands.....	6.92	6.71
Leeward and Windward Islands.....	5.69	5.10
Japan.....	4.67	5.61
Federal Republic of Germany.....	2.97	4.23
Bahamas.....	5.09	4.77
All other.....	4.03	5.85
Average.....	4.46	5.19

Source: Compiled from official statistics of the U.S. Department of Commerce.

Table 9.--Rum: Shipments from Puerto Rico and the U.S. Virgin Islands to the United States, 1985 and 1986

(In thousands of proof gallons)

Source	1985	1986
Puerto Rico:		
In containers not over 1 gallon.....	8,128	4,916
In containers over 1 gallon.....	15,044	13,791
Total.....	23,172	18,707
U.S. Virgin Islands:		
In containers not over 1 gallon.....	6	9
In containers over 1 gallon.....	2,844	2,642
Total.....	2,850	2,651

Source: Compiled from official statistics of the U.S. Department of Commerce.

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